

INTERNATIONAL

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PARIS, FRIDAY, FEBRUARY 24, 1978

WEATHER — PARIS: Friday, scattered showers. Temp. 14-7 (87-65). Saturday, scattered showers. Temp. 13-7 (84-65). Saturday, cloudy. CHANNEL: Cloudy. ROMA: Friday, cloudy. Temp. 16-5. NEW YORK: Friday, cloudy. Temp. 8-4.

ADDITIONAL WEATHER—COMICS PAGE.

29,561

Established 1887

Senator Demands Seoul Assist U.S. Or Lose a Loan

By Richard Halloran

WASHINGTON, Feb. 23 (NYT)—Sen. Adlai Stevenson 3d, chairman of the Senate Select Committee on Ethics, has advised Seoul unless President Park Chung Hee's regime makes available information for his committee's investigation into allegations of Korean influence-buying in this country. The Illinois Democrat said that his statement to the Koreans was not a threat, he added: "We have made it known that our cooperation will be more difficult if the same fail to cooperate with us."

Adlai Stevenson 3d
UPI

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UPI

Similar Earlier Case
Three years ago, Sen. Stevenson asked a similar Ex-Im Bank bill to assist the Koreans in construction of atomic-power plants until Seoul ratified the Nonproliferation Treaty prevention of the spread of nuclear arms.

The senator said that the Ethics Committee wanted access to Kim Dong Jo, a former ambassador here, and four other Korean officials. Stevenson declined to name them, but they presumably include Lee Hyo-Jik, former director of the Korean Central Intelligence Agency, who is alleged to have directed much of its covert effort to influence policy.

So far, the South Korean government has refused to make Mr. Stevenson available under any circumstances, citing international practices that give ambassadors immunity from such proceedings. State Department has supported the Seoul regime on that.

Mr. Kim, who served here from 1973 and later became foreign minister, allegedly distributed envelopes stuffed with \$100 to members of Congress and about other aspects of the secret operation. He is now a

Vote Hints Senate Will Back Pacts On Panama

By Robert G. Kaiser

WASHINGTON, Feb. 23 (WP)—The first procedural vote on the Panama Canal treaties yesterday produced a strong indication that President Carter will have the 67 Senate votes he needs for ratification.

Although the issue under consideration was a procedural technicality and the vote was certainly not conclusive on the treaties, the 57-to-30 tally was extremely close to the best available head count of Senate opinion on the treaties themselves.

Of the three senators who did not vote, two support the treaties and one opposes them. If they had voted that way yesterday, the final count would have been 68 to 31, which is precisely the final outcome that one administration source predicted two weeks ago.

However, one key Senate aide said last night that all 30 of the senators who voted "no" yesterday could be expected to vote against the treaties, whereas several of the "yes" votes were very soft and subject to change.

This side said the President's position would be much stronger if he himself were doing more to convince wavering Democrats to vote for the treaties.

High Turnout

The fact that 97 senators cast votes on the procedural issue indicates that members took the vote as symbolically important.

Treaty proponents, including some who took heart from yesterday's vote, remain concerned that a majority of senators might vote for an amendment or reservation to the treaties that could make them unacceptable to Panama.

The vote was taken after the Senate concluded its secret sessions on possible connections between Gen. Omar Torrijos, Panama's leader, and illegal narcotics trafficking.

About 70 senators turned up for the beginning of the secret session Tuesday, but only a handful returned yesterday, and the sessions ended without the bang that some treaty opponents had hoped for.

Sen. Jesse Helms, R-N.C., a leading treaty opponent, was asked after the end of the secret session whether the discussion of Gen. Torrijos' alleged connections to drug trafficking had changed any senators' votes on the treaties themselves.

"No," he replied, "and that is the depressing part."

Nothing New

Sen. Bob Dole, R-Kan., who asked that the Senate hold the secret sessions so it could discuss classified intelligence information, took the position that he had not wanted to change any senators' votes with the closed debate, but only sought to air the issues.

Numerous senators agreed that no startling new information emerged from the secret sessions. Sen. Birch Bayh, D-Ind., chairman of the Select Committee on Intelligence, gave his colleagues a report that concluded that Gen. Torrijos probably knew officials in his government and his own brother were engaged in narcotics trafficking, but that no reliable connection could be made between Gen. Torrijos and this trafficking.

When the Senate doors were unlocked at about 2:30 p.m. yesterday, Sen. James Allen, D-Ala., a leading treaty opponent, introduced a motion to reverse the order in which the Senate will consider the two treaties.

The Senate's 57-to-30 vote came on a motion to set aside Sen. Allen's motion.

Future Is Still Uncertain

Scotland Home Rule Approved in Commons

LONDON, Feb. 23 (UPI)—A controversial bill designed to give limited home rule to Scotland was approved last night by the House of Commons. But government officials said today that it faces heavy opposition in the House of Lords.

The legislation calls for a 150-member regional assembly for Scotland with control over the country's local affairs. The British government and Parliament will retain responsibility for foreign policy, defense, trade and taxation.

A bill giving similar home rule to Wales is to be introduced soon. The planned regional assemblies would be set up only if home rule is approved by local referendum.

Opponents of home rule fear that it will lead to the breakup of the United Kingdom. They joined forces to defeat the government on several points. They wrote into the bill a provision that the Scottish Assembly will

be set up in Edinburgh only if at least 40 per cent of registered voters in Scotland vote in favor of it in the planned referendum.

Government spokesmen warned that, under this provision, if only 60 per cent of registered voters turn out at the referendum, it would be impossible to reach the 40-per-cent mark, and the project would collapse.

The home rule legislation will go to the House of Lords after Easter. Although the upper house does not have the constitutional power to kill the legislation, it can delay it indefinitely by proposing amendments that would have to be debated by the House of Commons.

Such tactics, government officials said, could prolong debate beyond the remaining 18 months of the present Parliament. In that case, the legislation would have to be introduced in the next Parliament.

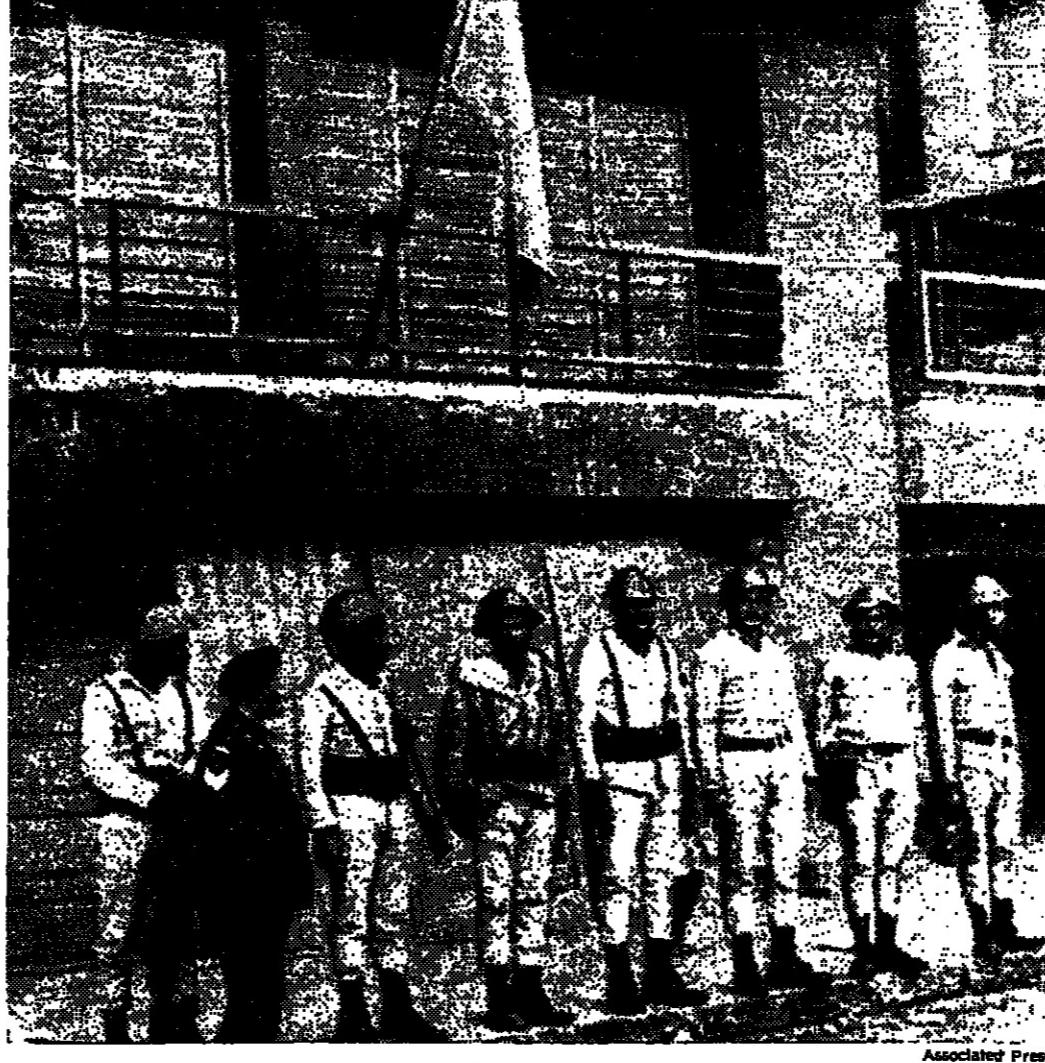
In the second part of today's edition appears a special report on Kuwait.



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Dollar Slumps To New Lows

LONDON, Feb. 23 (UPI)—Strong intervention by central banks failed to stop the dollar falling to record lows today as disorderly market conditions continued. Against the deutsche mark the dollar fell close to the critical psychological barrier of 1 mark to the dollar. (Continued on Page 2, Col. 1)



Egyptian police guard Cypriot Embassy in Cairo after diplomatic ties were cut. Associated Press

Embassies Stay Open**Cyprus Asks Egypt to Renew Ties**

NICOSIA, Feb. 23 (UPI)—President Spyros Kyprianou blamed Egypt again today for the shootout at Larnaca airport in which 15 Egyptian commandos died. But he appealed for restoration of "brotherly feelings" between Cairo and Nicosia.

Mr. Kyprianou said that he "appreciated and absolutely respected" the feelings of Egyptian President Anwar Sadat in breaking diplomatic relations with Cyprus following the Larnaca incident on Sunday. Cypriot National Guardsmen shot the Egyptian commandos as they tried to storm an airliner in which two gunmen held 15 hostages.

Mr. Sadat's "present justifiable psychological state provides, I believe, an explanation for his decisions," Mr. Kyprianou said. "I wish to assure Mr. Sadat that I shall make every effort for the restoration of relations between our two governments and the warming up of the brotherly feelings that always linked our two peoples," he said.

But the President reiterated that "in no case did the Cyprus government give its consent for the Egyptian action at Larnaca airport. On the contrary,"

Mr. Kyprianou said, "in all our contacts we made it abundantly clear to the Egyptian representatives that we banned any action by the armed group that arrived at Larnaca without our consent."

Mr. Kyprianou said that he would overlook the "insulting and abusive" language Mr. Sadat used against him yesterday (the Egyptian leader called the Cypriot President a "dwarf").

"I believe that it is not proper for heads of state to exchange insults and abuses, which is not helpful at all," Mr. Kyprianou said.

The government, meanwhile,

announced that it had established a commission to investigate events leading to the Larnaca battle. The ministers of justice, interior and communications will lead the inquiry. The government also said that, under an agreement with Egypt, the embassies in Nicosia and Cairo would continue to operate "at a low level" despite the break in relations.

Carter Message

President Carter sent a message of condolence to President Sadat in which he expressed "his personal condolences to the families of those killed in the Larnaca airport incident." It was learned today. An administration source said that Mr. Carter also told Mr. Sadat that he shared the Egyptian leader's "deep concern about terrorism."

The Palestine Liberation Organization, meanwhile, defended the Cyprus stand against the raid but reiterated earlier denials that its commandos had fought alongside Cypriots against the Egyptians.

The department made it clear what to do after the week-end. "I think he wants to keep his options open," Sen. Baker said.

The Senate Republican leader also warned that it could be late April or May before Congress would be able to act on any special legislation that the President might seek to end the strike. Such legislation would be needed if Mr. Carter were to have the federal government take over the mines or require binding arbitration.

By then, Sen. Baker said, there could be 90-percent power cutbacks in some areas and millions of persons out of work.

He suggested invoking the Taft-Hartley Act as a good interim step.

Governors Arrive

The governors of Kentucky, West Virginia and Pennsylvania arrived at the White House this afternoon after being summoned to meet with Mr. Carter.

Deputy Press Secretary Rex Gramman said they were selected because they represent three of the four leading coal-producing states. He said that Ohio Gov. James Rhodes, of another leading coal-producing state, talked by telephone with Jack Watson (Continued on Page 2, Col. 7)

Smith Condemns U.K.-U.S. Stand On Internal Pact

By John F. Burns

SALISBURY, Rhodesia, Feb. 23 (NYT)—Prime Minister Ian Smith, describing the attitude of the British and U.S. governments as "incomprehensible," said today that their insistence on a constitutional settlement that includes the Communist-backed Patriotic Front means that they have opted for a "Marxist dictatorship" instead of a democracy. In a 40-minute interview with the New York Times, Mr. Smith said it was "obviously important and desirable" that Britain and the United States should accept the



Ian Smith

four-day adjournment in the settlement talks, which have bogged down over arrangements for the transitional period between white and black rule.

Mr. Smith was reluctant to discuss the impasse over the transition, which developed when the black leaders demanded three-quarters of the posts in the interim government and Mr. Smith countered with a plan under which whites and blacks would have an equal number of posts, with Mr. Smith in overall control. The run-up to elections is expected to take at least a year.

However, the Prime Minister dismissed allegations that his plan reveals him as a provocateur seeking to prolong white rule by every available strategem. He hinted that he might shift his position on transition significantly. "Clearly there is going to be a big shift in power," he said.

When it was suggested that skeptical about his intentions (Continued on Page 2, Col. 3)

U.S. Curbs Sale to Ethiopia Of Military Transport Goods

WASHINGTON, Feb. 23 (UPI)—The State Department has approved the sale of \$1 million worth of "nonlethal" military transport equipment to Ethiopia, but it backed off from a promised sale of \$7 million in lethal weapons.

The department made it clear yesterday that, despite an earlier promise, it has disapproved the sale of lethal weapons to the Addis Ababa regime because of Ethiopia's war with Somalia.

The decision means that Ethiopia, which is getting war material from the Soviet Union and the aid of Cuban "advisers," will not receive from the United States two patrol boats valued at \$3 million and military spare parts valued at nearly \$4 million.

It will, however, get 23 trucks and spare parts for Jeeps and trucks in sales arranged before the foreign military credits approved for Zaire under the 1977 military aid program.

Meanwhile, Ethiopia has claimed that its troops killed more than 100 Somali soldiers in clashes Sunday and Monday in Sidamo, (Continued on Page 2, Col. 4)

Backing Plea for Cut in Arms Flow**Carter Asks 10% Cut in Foreign Arms Aid**

By John M. Goshko

WASHINGTON, Feb. 23 (WP)—In accordance with President Carter's call for limiting international arms transfers, the administration plans to cut foreign military assistance by almost 10 per cent in the next fiscal year, it was disclosed yesterday.

The proposed fiscal 1979 military aid budget was made public, and it provides for giving U.S. allies grants and credits totaling \$4.13 billion—a 7-per-cent decline from the \$4.45 billion requested last year for fiscal 1978, which will end Sept. 30.

The budget proposal includes some money that, although related to security considerations, is for nonmilitary purposes. In terms of funds earmarked for military equipment and training, the cut is roughly 10 per cent.

The new budget—that involves some money that, although related to security considerations—is less likely to win applause from critics of foreign military aid.

Although the officials insisted that the human-rights record of every country receiving aid had been taken into account, only one—the tiny and strategically unimportant Central American republic of Nicaragua—has been denied, on the basis of human rights, the right to buy U.S. arms.

In regard to authoritarian regimes that have greater strategic importance—among them South Korea, the Philippines and Indonesia—the new budget proposes to continue military assistance at the same levels as before.

'Good Beginning'

While conceding that the cuts are modest, they termed them a "good beginning" and said they are "consistent with the President's policy of restraint in the field of arms transfer."

However, there is another aspect to the new budget—that involving human-rights considerations—that is less likely to win applause from critics of foreign military aid.

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Manila's Status

Mr. Vance specifically cited the Philippines, whose government recently was singled out in a State Department report as a major violator of human rights.

However, Washington is negotiating with the Philippines for the right to maintain U.S. air and naval bases there. As a result, the request for aid to the (Continued on Page 2, Col. 1)

Says Franc Would Drop

Barre Steps Up Warnings On Effects of Leftist Victory

PARIS, Feb. 23 (UPI)—Prime Minister Raymond Barre and his allies today stepped up their warnings that a Communist-Socialist regime would impoverish France and kill its traditional liberties.

In a round of campaign speeches, Mr. Barre reaffirmed his confidence that the incumbent

majority would hold off the left in the March 12-19 National Assembly elections.

In a nationwide radio interview, he renewed his contention that the welfare measures promised by the Socialists alone would cost the country an extra 237 billion francs (\$47 billion). He said the French economy would falter and the franc would drop on money markets under the weight of inflationary spending.

Meanwhile, a poll published in the weekly magazine Paris Match predicted that the majority coalition would retain control of the assembly with 243 seats to the left's 222, based on a canvassing of 30,000 voters.

Analysts agree that a leftist victory will largely depend on whether the Communists and Socialists are able to stop their quarrel over future policies and unite their polling strength in the decisive March 19 runoff for candidates not elected or eliminated in the first round of balloting March 12.

Socialist Offer

Socialist leader Francois Mitterrand reaffirmed today that in the runoff Socialist candidates will withdraw in favor of the Communist in each district where the Communist candidate wins more first-round votes than the Socialist.

The Communists said they would do the same for the Socialists only if Mr. Mitterrand agrees immediately on a joint election program. This Mr. Mitterrand refuses to do.

Acting if he was assured of being the next prime minister, Mr. Mitterrand said one of his first moves would be to limit the foreign policy powers of President Valery Giscard d'Estaing.

He said that since the time of the late President Charles de Gaulle, presidents have been running foreign policy by themselves although the Constitution does not assure them such sweeping powers.

Mr. Mitterrand was pelted with eggs and tomatoes last night by 20 rightist extremists as he was campaigning in a busy Paris street. Blows were exchanged between the rightists and members of Mr. Mitterrand's entourage but no injuries were reported.

GAO Endorses Tax Incentives For Americans Living Abroad

(Continued from Page 1) does decide to amend the 1976 law but comes to no conclusions as to which is preferable.

It found that special deductions—for housing, education and the cost of living—are simple and attractive in theory but become exceedingly complex in practice. The report cited the difficulty in establishing reasonable floors and ceilings for such deductions and in determining accurate excess-cost indices for the many areas of the world.

A general exclusion, the GAO said, would offer the advantage of simplicity but would be too inflexible to deal equitably with the wide variety of situations faced by U.S. taxpayers abroad.

If such an exclusion were large enough to cover the excess costs of Americans in very high-priced areas, the GAO observed, it would provide a windfall for the large majority of U.S. taxpayers abroad. If the exclusion were lowered to prevent such windfalls, tax payers in high-cost areas would suffer, it said.

Indexing the exclusion to living costs in foreign areas carries with it problems similar to those related to special deductions. Such indices, the report said, would be very difficult to supply and further—because of the peculiarities of the tax year—they would be two or more years old by the time they were used.

Whatever changes are made in tax incentives for U.S. citizens abroad, the report said, "a fundamental question remains unanswered: Could the forgone tax receipts represented by the sub-

Apparent Contradiction

Despite the existing lack of evaluation the report contained an analysis of the projected effects of the provisions of the Tax Reform Act. The findings of the analysis seemed to be at odds with the recommendation to continue the Section 911 tax incentives, since the analysis indicated that the net economic effect of the 1976 act would be very small.

Sources reported that, just before the GAO report was released, its recommendation was rewritten—probably at the orders of the controller general—to emphasize the importance of continuing the tax incentives for U.S. citizens abroad.

The report says that, just out certain important considerations such as the influence that might be lost on foreign purchases of U.S. goods if Americans came home from abroad. The GAO said there is now no way to measure such a likelihood. In addition, the watchdog agency said that a lack of other data and the stable number of variables hindered the analysis.

The GAO report was issued shortly before the House Ways and Means Committee opened hearings on the entire subject of taxation of Americans living and working abroad.



Associated Press
Leslie Hammond's prize-winning picture, entitled 'Tear Gas Terror.'

South African Wins in Press Photo Competition

AMSTERDAM, Feb. 23 (AP)—

South African photographer Leslie Hammond of the Argus Cape Town today won the annual World Press photo competition for the best press photo of 1977.

He won with a picture titled "Tear Gas Terror," which was

made at the Modderdam squatter camp, near Cape Town, as police threw tear gas at a group of squatters protesting the demolition of their homes. The photo also won first prize in the spot news category.

A record number of 714 photographers from 48 countries entered 3,689 pictures in

the 21st edition of the contest. It was judged by a nine-man international jury. Mr. Hammond wins a cash prize of 5,000 guilders (about \$2,200).

The news feature prize went to Susan MacKinnon of Newsweek, New York, who captured President Carter slipping on an icy sidewalk.

Smith Condemns U.K.-U.S. Stand on Rhodesia

(Continued from Page 1)

from his record as the man who led Rhodesia to break with Britain in 1965 rather than submit to eventual majority rule, and vowed later not to cede to black government in his lifetime. Mr. Smith shot back: "Don't let me pretend that I welcome this, that I wanted this. Unfortunately, I have no power."

He recalled that his original commitment to majority rule followed a meeting in Pretoria 17 months ago with former Secretary of State Henry Kissinger. At that meeting it had been made clear that "even our friends in this world"—meaning South Africa—would abandon Rhodesia unless the undertaking to transfer power was given, and that the pressures on the country would be stepped up.

Defends White Bloc

"Having made an agreement, we must abide by it," he said. "I don't think we could go back on it. If we did, then we would be rejected by everybody, even our friends and supporters who would turn against us. You can't make an agreement and go back on it; that would be the surest way of committing suicide."

Consequently, policymakers cannot be sure to what extent the incentives have benefited the nation," the report continued. "Uncertainty will persist until their effects have been carefully appraised."

To alleviate this situation, the GAO proposed that Congress enact legislation to require the Treasury and Commerce Departments to evaluate regularly the effectiveness of the tax incentives, to compare the tax incentives with such tax deduction activities as trade exhibits, with DISC subsidies and other policy instruments designed to achieve similar objectives and to report regularly to Congress on the results of these evaluations.

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Rome Bank Manager Shot on Way to Work

ROME, Feb. 23 (AP)—One of Rome's leading bank executives, Signore Borghetti, 54, was shot in the shoulder today as he drove to work, but was not seriously hurt.

A telephone message attributed the shooting to the Red Brigades, a leftist guerrilla organization that has claimed responsibility for much of the political violence in Italy.

and even this was slipping, he said. Reports that he was negotiating secretly for Mr. Nkomo's return were false, Mr. Smith said, and in any event the prospect of the veteran nationalist returning was of little importance

to him. "His support is growing less with the passage of time so if he doesn't come back, I believe in time he will withdraw away."

The Prime Minister forecast that the guerrillas, in separate armadas loyal to the Patriotic Front's co-leaders, would lose the will to fight once a black government was installed under the new agreement. "This is our assessment, and it happens also to be the assessment of the internal black leaders with whom we are now talking," he said.

West German Strikes

LUEBECKE, West Germany, Feb. 23 (Reuters)—Several thousand workers in West Germany's metal industry held strikes today to press demands for an 8-percent wage increase.

Overran Last July

Sidamo Province was overrun by elements of the Western Somali Liberation Front last July. It is several hundred miles from the area where the main fighting has been reported, near Hargeisa and Dire Dawa in the Aumar Mountains.

In a news conference broadcast yesterday by the Mogadishu radio, Mr. Siad Barre said Somalia would welcome any peace moves "based on justice."

Somalia is ready to talk with principles, he said, "because no one in his senses would wish to continue the war. This does not

mean, however, that we are weak."

Ethiopia has said that it will not begin talks with Mogadishu until all Somali troops have withdrawn from the Oaden.

Somalia earlier in the month said it was ready to commit regular troops to the war because of the involvement of Soviet advisers and Cuban troops on the Ethiopian side.

But Mr. Siad Barre told newsmen that he had not yet taken this step, although "we have been attacked on several occasions."

Even if Mr. Siad Barre was giving the Atherton mission full attention, however, it is unlikely

that the Egyptian mood is all right and... we will leave no possibility unexplored and we will continue with our peace efforts and hopefully we will get to something positive," the Egyptian minister said, according to UPI.

Recognition Withdrawn

Egypt has terminated its diplomatic relations with the Nicosia government of President Spyros Kyprianou and withdrawn its recognition of him as the lawful leader of Cyprus. The Egyptians have indicated that they will take further steps against Cyprus but it is not known what they will be.

Legal experts at the Foreign Ministry drafted a report yesterday on the effects of the withdrawal of recognition—a move that could bring Egypt into conflict with Greece, if, as some officials here speculate, Egypt grants recognition to the Turkish-sponsored regime that controls the northern third of Cyprus.

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Recognition Withdrawn

Mr. Carter's earlier meeting with Senators Robert Byrd, D-W. Va.; Alan Cranston, D-Calif.; Ted Stevens, R-Alaska; Jennings Randolph, D-W. Va.; Harrison Williams, D-N.J.; Sen. Javits, and Sen. Baker. The President also met with House Speaker Thomas P. O'Neill, D-Mass.; Reps. Frank Thompson, D-N.J.; John Ashbrook, R-Ohio; John Rhodes, R-Ariz., and James Wright, D-Texas.

The Bilingual Coal Operators Association said today that it remained ready to resume talks with the union, but that in view of the UMW's bargaining position more negotiations "hardly seemed fruitful."

As negotiations continued, the effects of the strike mounted.

New electric utility cutbacks were implemented in Indiana, Tennessee Gov. Ray Blanton warned that 125,000 persons would be out of work soon if voluntary conservation measures do not work.

In Indiana, National Guardsmen carried unloaded M-16 rifles and ammunition as they took up stations at key highway intersections to insure the movement of coal convoys.

General Motors' Delco Electronics plant in Kokomo, Ind., announced that it was laying off 6,000 of its 8,800 hourly workers for one day tomorrow because of power cutbacks. Regular production will resume Monday but another one-day layoff may be necessary March 3 if the coal shortage continues, Delco said.

The auto industry has threatened other layoffs if the strike continues.

More than two dozen persons

were killed in demonstrations and guerrilla raids since the assassination of Mr. Chamor

Managua, about 20 miles east

of Managua, was under military occupation today and reporters trying to reach the town said they were turned back by soldiers.

The fighting was heavy around the Church of San Basilio in the area of Monimbo where hundreds of demonstrators protested against the Jan. 10 slaying of newspaper publisher Pe. Joaquin Chamorro and the committal of the 44th anniversary of the assassination of guerrilla leader Cesar Augusto Sandino.

It was the third straight night of protests in Managua. Seven persons were injured Tuesday when troops dispersed tear gas on the town from helicopters.

Last night, demonstrators broke into a government office, dragged furniture into the street and burned it.

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To Cancer Victim's Family

Jury Grants \$15,000 in Laetrile Suit

By Jeff Prugh

ATLANTA, Feb. 23.—A federal jury yesterday awarded an Atlanta cancer victim's family \$15,000 in a \$65-million malpractice suit against Rep. Larry McDonald, D-Ga., who also is a surgeon, for having treated the patient with Laetrile.

The three-week trial was believed to be the first legal challenge to a doctor's prescription of Laetrile, the controversial cancer drug extracted from apricot pits.

Laetrile has been legalized in 4 states but not in Georgia. The drug has been termed "worthless" as a cancer treatment by one medical authority.

Reverses Its 1977 Stand

House, Heeding Carter, Votes To Cut Short B-1 Construction

By Paul Houston

WASHINGTON, Feb. 23.—Under heavy administration lobbying, the House reversed itself yesterday and killed the program to continue, over a short term, the construction of the B-1 bombers.

By a vote of 234 to 182, the House agreed with a Senate decision to cancel a \$462-million appropriation made in 1976 for the construction of the fifth and sixth B-1 aircraft.

In December, the House voted to reject the Senate position, 191 to 166.

The House vote yesterday means that B-1 production will start after completion of the fourth plane, now under construction at Rockwell International in Los Angeles.

Rockwell, the B-1 prime contractor, will have to lay off 750 employees "in the very near future" and more than 2,000 by the end of the year, C.E. Blalock, company vice-president, said. It added that an additional 2,000 employees will face layoffs next year "unless we get new business."

© Los Angeles Times.

In U.S. Probe of 1976 Bombing

Chile Junta Linked to Murder of Ex-Envoy

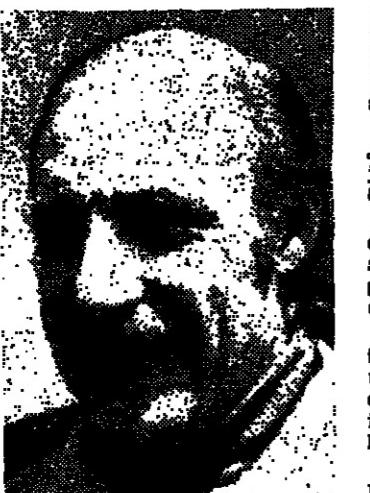
By Timothy S. Robinson

WASHINGTON, Feb. 23 (UPI).—The U.S. government has officially asked Chile to produce for questioning two members of its military—also believed to be secret police agents—who have been linked by U.S. investigators to the car-bombing murder here of former Chilean Ambassador Orlando Letelier.

The extraordinary disclosure yesterday was seen by diplomatic and legal sources as an indication that the U.S. government, whose investigation has so far been tightly secret, now wants to bring public pressure against the Chilean government to force it to cooperate.

"This is obviously a situation where other diplomatic and investigative channels were thoroughly utilized before taking this route of public disclosure," a person familiar with the 17-month-old investigation said. "We want these men produced and these questions answered and we are aware of the possible diplomatic ramifications."

According to documents filed yesterday, the two military men entered the United States a month before the murder of Mr. Letelier and at a site at the In-



Orlando Letelier

Va. Aide Reports Activist's Wound Was Self-Inflicted

By Timothy S. Robinson

VIRGINIA BEACH, Va., Feb. 22 (UPI).—A racial slur cut across the stomach of civil rights activist Richard Lapchick was "definitely self-inflicted," a state medical examiner said yesterday.

The description he [Lapchick] gave of the assault is totally inconsistent with the injuries said Dr. Frank Presswala, chief police medical examiner for Tidewater.

Mr. Lapchick, an associate political science professor at Virginia Wesleyan College, had told police that two masked men "stabbed him at his office last Tuesday, beat him unconscious, called him a 'nigger-lover,' and forced a misspelled racial slur 'nigga' across his stomach with a knife."

Mr. Lapchick has cited "moral reasons" for refusing to take a lie-detector test.

The alleged assailant has had wide publicity and prompted a US committee to issue a statement condemning it.

France Denies Report Of Baron's Ransom

PARIS, Feb. 23 (Reuters).—

The French government said today that it knew nothing about a multimillion-dollar ransom payment by the family of Baron Edouard-Jean Empain who was kidnapped outside his Paris home 1 month ago today.

Reports quoted by a radio station said that the abductors of the Belgian industrialist had received a ransom of between \$80 million and 100 million francs (\$15 million and \$20 million). An interior ministry spokesman said, "To my knowledge, there have been no new developments."

According to the court record, the two Belgians obtained visas to enter the United States early in the summer of 1976 by using fraudulent documentation from a country other than Chile. When the United States found on Aug. 9, 1976, that the visas were fake, it invalidated them, the document said.

When the men returned to the

Duke Memorial Hospital of Atlanta was cleared of liability by the jurors.

A spokesman for the American Medical Association said that he believed the verdict would have some national significance. "It might well have an inhibiting effect on some physicians," Richard Krause, an AMA lawyer, said. "It also could have an effect on users of Laetrile. They could associate with a family which now has sued a physician and has been successful in at least claiming some damages."

Laetrile has been strongly opposed by the Food and Drug Administration and the American Cancer Society.

Shipment Illegal

Interstate shipment of the drug is illegal but 14 states permit doctors to prescribe it. They are: Alaska, Arizona, Delaware, Florida, Illinois, Indiana, Louisiana, Nevada, New Hampshire, New Jersey, Oklahoma, Oregon, Texas and Washington.

The trial also had political overtones. Dr. McDonald, a practicing urologist in Marietta, Ga., until he was elected to Congress in 1974, is a member of the ultra-conservative John Birch Society, a leading advocate of Laetrile as cancer therapy. Mr. Scott, the patient, also was a Birch Society member. During the trial, Dr. McDonald was censured by the Democratic committee of northwest Georgia's 7th District, which he represents, "for his outrageous and unconstructive conduct . . . and, most of all, for the dishonorable and despicable act of calling himself a Democrat." Dr. McDonald replied that the committee's action was "illegal" but he said that it may help his re-election campaign this year.

B-1 supporters argued that the planes should be built to keep the Rockwell production team together in the event that the Cruise missile—proposed as a substitute for the B-1—did not work or had severe limitations placed on it in the Strategic Arms Limitation Talks with the Russians.

But one more action was necessary to scrap the program: canceling the \$462 million previously appropriated for planes No. 5 and 6.

B-1 supporters argued that the

planes should be built to keep the

Rockwell production team together in the event that the Cruise missile—proposed as a substitute for the B-1—did not work or had severe limitations placed on it in the Strategic Arms Limitation Talks with the Russians.

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Page 4—Friday, February 24, 1978 *

Scotland Forever!

In a time of the breaking of nations when all manner of separatist movements are at work in almost every country, the British House of Commons prefers to bend rather than break. The Labor party program to provide a measure of autonomy for Scotland and Wales was moderate enough to begin with and has been further moderated in the House of Commons. Moreover, now that it has passed the House it must still go before the Lords, who cannot stop it but might slow it down, and then to a referendum of the Scots.

Nevertheless, the bill that has passed does enable Scotland to manage a good many of its own affairs, even if it will not have the power to tax itself for those purposes but must operate within money grants from Westminster. And this whittling down of overall national administration is one of the practical goals of modern separation.

Overconcentration of power in the national capitals does have ill effects. The recurrent cry for greater state authority in the United States, complaints about the economic problems that Moscow often visits on the Soviet Union, attacks on French bureaucracy—all these are instances of frictions within nations where the whole assumes responsibility that the parts might discharge more effectively, and certainly with closer relation to the affected citizenry.

But separation is often divorced from practicality and derives its strength from sheer emotionalism. In Quebec much of the force behind René Lévesque stems from a sense that the French in Canada have lost

dignity since Montcalm lost his battle on the Plains of Abraham. And while much of this can be attributed to the choice of the French-speaking population, until recently, of a semi-feudal kind of agricultural life, and while it ignores the prominence many francophones have won in Canadian national politics there is a basis for such a reaction. A sufficient basis, in any case, to make the autonomy all Canadian provinces enjoy—which is very great—not enough to satisfy many of Canada's francophones.

This, however, is hardly the case in Scotland, where a cultural tradition, world-renowned in letters, in tartans and in whisky, gives a Scot a national consciousness that can be as well expressed in sharing the Union Jack with England's St. George's cross as in allowing St. Andrew's cross to fly alone on its yellow background. It is long since an Englishman of Samuel Johnson's stature could jest about the Scots—and, after all, the union really began when a Scottish king came down to London to rule both lands. "Scotland Forever" is a fact as well as a slogan.

This could be more important to the Scottish personality than whatever limits may be imposed on Scottish autonomy. It may not answer such questions as who is to profit by oil in the North Sea or shipbuilding on the Clyde, or who profited by the poverty of the Highlands and the isles. But these issues are as typical of the complexities of nationalism as the fate of francophones outside Quebec in Canada. To attempt to simplify them is to invite disaster.

The High Cost of Quiet

According to the airline industry, the cost of compliance with the 1985 federal noise standards will be \$5 billion to \$8 billion. The airlines, understandably, are worried about it. Given their other capital needs in the next decade and their unstable profits, they aren't sure they can raise all the money they will need. But that, it seems to us, is an insufficient reason for Congress to create a unique tax fund that would pay part of the bill.

The idea, now getting serious consideration on Capitol Hill, is that part of the money raised by the taxes on air tickets and cargo should be handed to the airlines to buy new, quieter engines for old airplanes. It is a nice idea—if you happen to own an airline. Ticket prices won't go up. The money you get from the Treasury won't be taxable. And maybe as much as a quarter of the costs imposed by those new noise standards would be met painlessly. It is also a nice idea for the politicians who feel the pressure to help industry meet new federal standards; the subsidy will be almost hidden. Thus, the idea was endorsed along the way by both the Ford and Carter administrations, as well as the airline industry, and approved by a subcommittee of the House. There is even an indication that enactment into law of the proposal is the key to prying an airline deregulation bill out of the House. This is something the Carter administration fervently wants.

Nevertheless, the idea is a bad one. It

would set a precedent for using federal taxes to raise money to help industry comply with federal laws. If a federal tax on airline tickets is to be used to help the airlines with their noise problem, why not one on utility bills to help the power companies with their smoke problems? Or one on gasoline to help automobile owners refit old cars to eliminate exhaust emissions? The possibilities are endless.

There are already enough well-established ways for government to help industries and individuals in need of special aid without creating a new one. If the airlines really must have the \$1.25 billion this proposal would give them over the next five years, Congress can provide it through direct appropriations. That would be the straightforward way to do it. But since the central part of the proposal is a finding that the airport trust fund doesn't need all the revenue raised by the 8-per-cent tax on tickets and the 5-per-cent tax on cargo, a better solution would be to reduce those taxes. The airlines could then raise their base fares by the same amount without increasing ticket prices. That would raise the same amount of money for paying the cost of quiet. The distribution of it among airlines wouldn't be the same, but that is the problem of individual airlines. It is a lesser problem than the one posed by creating a new mechanism for using federal taxes to help private industry.

THE WASHINGTON POST

International Opinion

Dollar Decline and Bonn

The argument between the Americans and the West Germans over the decline in the dollar and the slowness of the West German growth rate... threatens to do a great deal of damage both to political relations between the two governments and to the economies of the rest of the world.

The West German case is that it is pursuing a courageously expansionist policy, but the policy is being threatened by the collapse of the U.S. dollar. They argue that the United States cannot reduce its oil deficit in the short term so the Americans try to improve their trade balance by exporting more to West Germany and Japan, or by exporting to third countries at their expense. Hence the calls for faster West German and Japanese growth, and for the appreciation of the mark and yen...

The Americans argue that their current account deficit, the main cause of the dollar's decline, is partly the result of the difference between U.S. and foreign growth rates and the deficit might be lower if there were full employment in major industrial countries... While this fruitless argument goes on, the world recovery peters out and unemployment in Europe threatens to rise for yet another year... The United States should accept the need to borrow formally to finance its deficit... and adopt an effective energy policy as soon as possible. The West Germans should set themselves a

target of running a current account deficit by the end of this year.

—From the *Guardian* (London).

Some Horrifying Weapons

The neutron bomb is a very unpleasant weapon indeed... It kills and maims by radiation, which means that people between about 500 and 1,000 meters from its explosion die very slowly, while those farther away are liable to be permanently damaged in a number of nasty ways. On a battlefield it could leave soldiers with damaged brains still physically able to operate weapons before dying...

The one aspect that should not be considered, or at any rate not taken at its face value, is the Soviet campaign that has been mounted against the weapons. This campaign has been carefully orchestrated to play upon the sensibilities of the West. Mr. Brezhnev and his colleagues have tried to take out a moral copyright on the issue, presenting themselves as profoundly concerned about saving humanity and peace from this new threat from the United States... The fact is that the Russians can claim no moral standing in this issue at all. They are busily deploying SS-20 missiles, each with three independent warheads aimed at Western Europe. These would do far more damage and kill far more people than an equivalent deployment of neutron warheads. The Russians are also preparing for chemical and germ warfare which is in no way less horrifying or more moral than radiation.

—From the *Times* (London).

In the International Edition

Seventy-Five Years Ago

February 24, 1903

ST. PETERSBURG—It is always striking to note the friendly feeling which exists all over Russia toward the United States. Russia has few friends but it counts the United States as among them. This sentiment exists not only here in the capital, but any of the numerous and constantly increasing number of U.S. travelers who visit the remote parts of the country can tell you that the feeling is nationwide.

Fifty Years Ago

February 24, 1923

PARIS—Bustly cooks, impeccable valets, smart chauffeurs, dainty chambermaids and butler concierges raised a great to-do at the *Bureau de Travail* last night because, despite their repeated protests, they were still being called "domestics" and "gens de maison" instead of being designated by their self-assumed title of "house employees." They also demanded better working conditions and higher pay.



'I'll Keep Cuba Stable While You Stabilize Africa.'

Palestinians: Looking at Reality

By Anthony Lewis

BOSTON—In the folklore of journalism scope are overrated. It is entertaining to steal a beat on a story that is about to break anyway, but "The Front Page" cannot justify the great freedom of the U.S. press. What does is the uncovering of concealed official business or less romantic but just as important the exploration of open but unrecognized social or political conditions. We all have partial vision, and it is one function of the press to make us see.

A good example of the press in that last role was a series of articles this week in *The New York Times*: a study of the Palestinians. Correspondents around the Middle East brought convincing detail and breadth of perspective to a subject on which most of us have blinded vision. Palestinians make up typically, think of terrorists. But there is "another reality," the correspondents said: "The reality of a striving middle class in exile, with the highest levels of literacy and academic achievement in the Arab world," as well as a hard-working proletariat.

Some Still Dream

What they almost all have in common is a desire for a place they can call their own: a homeland. Some still dream of displacing Israel. But most, the correspondents found, have come to accept "the idea of a miniature Palestine that would be built on the Israeli-occupied West Bank and Gaza Strip." In short, most Palestinians envisage a state of their own coexisting with Israel.

A West Bank lawyer who negotiated with Israel 30 years ago, Aziz Sheshade, is quoted as saying: "There was a time, after the war in '67, when I called for a Palestinian state in the West Bank and Gaza and I was called a traitor. Now easily 90 percent of the people support it."

The same is true of the Palestine Liberation Organization's leadership, the correspondents said: "There is a consensus for the mini-state. If it materialized, even some extremists would accept it and turn to ordinary politics. But the consensus is unstable. It depends on the hope of getting some sort of homeland in a peaceful settlement with Israel."

And here the correspondents found a paradoxical danger arising from President Sadat's peace initiative. It came at a time of growing strength among Palestinians, for the moderate view that reasonable compromise with Israel is possible. But as the initiative faltered, support for extremism grew.

Moderates Undercut

An article written from Ramallah in the West Bank said: "For the moment, what is perceived by West Bank residents as intransigence on the part of the Begin government has undercut the moderates and strengthened the

hand of the few radicals who still maintain that the 1967 lines are not enough for a Palestinian state."

Dr. Hatem Abu Ghazaleh, a member of the Nablus Municipal Council, put the feeling bluntly. "We think from month to month they will withdraw," he said. "Now we know they won't. Sadat's visit unified us. Those who thought there will be peace now understand."

A last point that comes through clearly in the articles is the breadth of support among Palestinians for the PLO. In the West Bank, "scores of people interviewed said the PLO was the only voice that represented them." People differ on the leadership but, the correspondents found, see the organization itself as the embodiment of Palestinian identity and nationalism. It is a collection of many groups and interests, and its strength lies in its amorphousness. People bristle when it is suggested that they should abandon the PLO.

What does all this tell us about the hope of peace in the Middle East? It tells us first, I think, that the stakes are enormously high in the next few weeks and months. If diplomacy fails now, the situation will not just go back

to where it was before the Sadat visit to Jerusalem. The very idea of negotiation will have lost credibility.

Second, there is an urgent need to deal with the moderates. The Palestinians need a state in peace. Begin really recognized the principle when he proposed "self-rule" for the West Bank and Gaza, but that did not go far enough to change the Palestinians' sense of their interest lay.

Rashid Khalil, a Palestinian who teaches at the American University in Beirut and also works for the PLO, told *The Times* correspondents that Israel "could neutralize Palestinian irredentism just by giving back the West Bank." Some will be skeptical of that view, but surely the aim is to give the Palestinians some status that they can be for.

Finally, the series of articles tells us that there are Palestinians—human beings, caught in a diaspora of their own suffering human emotions that anyone should be able to understand, feeling a national identity. That may sound obvious. But there evidently are Americans who believe, as one wrote me a while ago: "The so-called Palestinians do not exist."

The Last Card in Panama

By Rowland Evans and Robert Novak

WASHINGTON.—After all the thousands of words about the Panama Canal treaties, there remains one largely unmentioned issue of potential importance both substantively and politically: a top secret U.S. communications intelligence facility in the Canal Zone.

This is Galeta Island, a station at the Atlantic end of the canal manned by 50 Navy personnel and officially called a "naval group security facility." It is actually a high frequency direction finding station that is part of the top secret SOSUS network for tracking submarine.

There can be no argument that it is a high-priority, essentially irreplaceable U.S. security operation requiring renegotiation when the canal reverts to Panamanian ownership in the year 2000 under the treaties. What is not clear is the immediate fate of Galeta Island: Will there be sufficient security for the station's continued operation when Panama takes over the Canal Zone once the treaties are ratified?

Sensitivity

Because of its sensitivity, this question has not been addressed in public debate. But senior military officers who have endorsed the treaties are privately worried about the fate of the installation. Consequently, Galeta Island may well be the last card played by enemies of the treaties now that the Senate's secret session on the largely irrelevant drug issue has finished. They may try to amend the treaties to keep Galeta Island under effective U.S. sovereignty. Since Gen. Omar Torrijos would never accept this, the amendment becomes a final attempt to kill the treaty. For that reason, facts about the importance and post-treaty vulnerability of Galeta Island take on political importance.

Actually, only two or three senators today know about the station. Even White House aides handling the treaties are unaware of it. Galeta Island is definitely not on the Canal Zone tour given visiting senators. But Adm. James

Can the French Left Govern Together?

By Norman Jacobs

PARIS—Some months before the last French legislative elections, held in 1973, François Mitterrand paid a visit to the United States. In the discussion period that followed a speech he gave on French politics to a New York audience, I asked whether the Socialists could work with the Communists to govern France if the Union of the Left, then campaigning on the 1972 version of the Common Program, won the elections. Mitterrand replied with some asperity that he had been repeatedly asked that question during his trip to the United States; and that while he was touched by the concern Americans showed over the state of Socialist-Communist relations, they might more appropriately worry about strains in the relations between their own president and the Congress.

Finally, consider the implications of Communist behavior since the breakdown in September of negotiations among the parties of the left over the updating of the Common Program. For years now, French Communism has been undergoing a facelift. And today's Communist—the "new Communists" as the title of a recent French book call them, claim total independence of Moscow and profess acceptance of the democratic rules of the game in their competition with other parties for power and influence. But the behavior of the party since the breakup of negotiations over the Common Program suggests that so far as their relations with the Socialists are concerned there is little difference between the old Communists and the new. Since last September the Communists have been conducting a campaign of "systematic calumny"—to cite Blum phrase—to discredit the Socialist partners in the Union of the Left. Daily, in the media at their disposal, they have accused the Socialists of abandoning the Common Program of moving to the right and of favoring a austerity program to cope with current French economic difficulties.

Little Choice

None of these accusations has any truth in them. And if I believe the center-right majority now in power, there is little choice from between Socialist and Communist versions of the Common Program. Both sides, it contends, will lead to economic chaos. The only resolved matter is which version will do the most damage quickly.

The irony of Communism's duality regarding the Social program is that as the camp has developed, the Communists have been attacking the Socialists much more fiercely than a class enemy on the center-right. Shades of the past! The Socialists can be forgiven if they are with Communists for allies, whatever enemies?

All this points to the fact that the partisans of the Union of the Left are simply deluding themselves if they think Socialists and Communists could cooperate amicably and effectively for as long as six decades. For much, if not most, of that period, their coexistence has been marked by mutual suspicion, hostility and conflict. At times, the Communists have viewed the Socialists as their most deadly foe—as much more dangerous than the bourgeoisie, ostensibly the common enemy of both. During the so-called Third Period (1928-1934), Communist propaganda described

sure of the Galeta station might decrease U.S. interest which could trigger a Second World War—a severe double blow to the network.

Nobody Knows

Nobody knows whether Galeta Island will still be needed 22 years from now when a new arrangement with Panama would have been negotiated. The more pertinent question is whether it can safely function in post-treaty Panama, with the Canal Zone under Panamanian control. Soviet "agricultural" technicians reported at Old France Pier 10 miles away. Top Pentagon officials say that the station must have additional guards and be fenced off at the very least. Will this be enough? They do not say.

At this late hour, it seems improbable that ratification will be blocked by this exotic issue. Galeta Island does not have far-reaching relevance to the treaties, the peripheral drug question, human rights. It is also the last conceivable card available against Canada out of closing its station on Bermuda. Consequently, it surely will be played.

Letters

Cockney

Mr. Raymond Watkinson objects (Letters, Feb. 21) that Cockney cannot be a dialect because "dialect proper has always some regional and historical base." He overlooks, however, that the term Cockney has been applied to East Londoners—technically, those born within the sound of the bells of St. Mary-le-Bow church—since the 17th century. Their language is Cockney, succinctly defined by Webster's New International Dictionary (Second Edition) as "Cockney dialect."

JOSEPH A. HARRIS,
Paris.

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Obituaries**British M.P. Marcus Lipton, Led Case Against Soviet Spy**

LONDON, Feb. 23 (AP)—Marcus Lipton, 77, a Labor party member of Parliament for 33 years and one of the great characters in the House of Commons, died in a London hospital yesterday.

Mr. Lipton had been undergoing medical tests at Westminster Hospital after collapsing at his home Tuesday.

It was he who first named Arnold (Kim) Philby as the "third man" linked to Guy Burgess and Donald Maclean, the British suspected of spying for the Soviet Union and who died there in the 1960s. Mr. Lipton's allegation against Mr. Philby was denied at the time in 1956 and he was forced to withdraw it, but when Mr. Philby himself defected to the Soviet Union in 1963, Mr. Lipton was vindicated.

"I am feeling rather smugly satisfied," Mr. Lipton said at the time.

The veteran Labor M.P., who successfully campaigned in 1972 to have the sales tax removed from wrought iron chastity belts, and announced in January that he would retire from his Lambeth Central seat in south London at the next general election, to make way for a younger man, now there will be a special by-election.

Mr. Lipton's death leaves Prime Minister James Callaghan's ruling Labor party with 306 seats in the 656-seat Commons. The minority Laborites have a working majority, however, with the support of 13 Liberals. Four seats are vacant.

Mr. Lipton never held ministerial office, preferring to remain in the backbenches, from where he dashed off 2,000 questions for the government of the day—often ardent and witty.

"Marcus was one of the greatest characters I have ever known in politics," said William Price, parliamentary secretary to the Privy Council. "He was one of a rapidly diminishing band of great characters."

Mr. Lipton had a deep husky voice, a mustache, and looked like a burly Groucho Marx. A sailor's son in the northern English city of Sunderland, he went to Oxford University on a scholarship, became a lawyer and rose from private to Lieutenant-Colonel during World War II. He first entered Parliament in 1945.

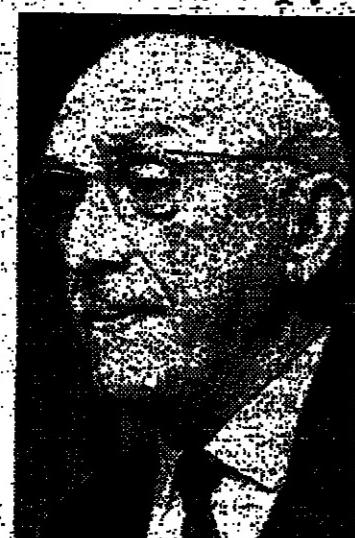
Telephone-tapping, prison conditions, particularly old judges and Britain's slums were topics he attacked with relish.

He even warned of the hazard of passing traffic when cows wandered from their grazing and onto public highways.

"Doubt them with luminous light," he advised.

Phyllis McGinley

NEW YORK, Feb. 23 (AP)—Phyllis McGinley, 72, whose light, witty poetry won a Pulitzer Prize and who once complained that not reading poetry amounts to "national pastime," died here yesterday. Despite her complaint, Miss McGinley



Marcus Lipton

PARIS BALLET**Grigorovich Signs 'Romeo and Juliet'**

By David Stevens

PARIS, Feb. 23 (IHT)—The Paris Opera ballet had no production of Prokofiev's "Romeo and Juliet" in its current repertory. Yuri Grigorovich has been wanting to do one, but his own Bolshoi company already has Leontini Lavrovsky's celebrated version as a cornerstone of its repertory.

It was a clear case of demand meeting supply, and the new Grigorovich production unveiled last night gives the Opera a version unlike anyone else's of one of the 20th century's major ballets, and a splendid showcase for its young principal dancers. It is a radical departure from Lavrovsky's realistic story-ballet approach, and a different conception, too, from Nureyev's vast Italianate fresco staged last year in London and recently repeated here (IHT, Jan. 20).

As usual, Grigorovich has sought to make dance the principal vehicle of communication. Mime and other story-telling devices have been amputated to the vanishing point: There is no Benволio, no Duke of Verona, and Juliet's nurse is hardly more than a walk-on. Grigorovich assumes that the audience knows his Shakespeare, or perhaps he does not care, and in 18 fast-moving scenes—in two acts of about an hour each—he concentrates on the primary emotions of love and hate.

The production is not specific about time or place. Simon Virgader's set consists of an array of black curtains hanging from the flies and moved around (clockwise), to assume different shapes and create changing scenic spaces. Now and then a specific object—a balcony, a bed—is hidden at. The choreographer has imagined the drama taking place at Carnival time, and the revels and musicians are a kind of continuously mobile backdrop and their costumes supply most of the color in an otherwise neutral space.

Grigorovich's version is more impressive in its sense of structure, with its contrast between the four principal men were sharply distinguished from each other, both by choreography and by careful casting. Michael Denard

Paul Cardinal

Yoshigoro Taguchi

TOKYO, Feb. 23 (UPI)—Paul Cardinal Yoshigoro Taguchi, 75, Archbishop of Osaka and Japan's only Roman Catholic Cardinal died today of a kidney ailment, a spokesman for the Osaka University hospital said.

John Alton Moaney Jr.

WASHINGTON, Feb. 23 (UPI)—John Alton Moaney Jr., an orderly and valet to Gen. Dwight D. Eisenhower from 1942 until the former president's death in 1969, died of cancer Sunday at Walter Reed Army Medical Center.

Dr. Edward T. Pierce

SAN FRANCISCO, Feb. 23 (UPI)—Dr. Edward T. Pierce, 61, a physicist and one of the world's leading authorities on atmospheric electricity, died yesterday at his death from a eighth-floor hotel room yesterday, the police reported.

Allen R. Foley

NORWICH, Vt., Feb. 23 (NYT).—Allen R. Foley, 76, a retired department chairman, teacher of history at Dartmouth College and former member of the Vermont Legislature, died on Feb. 16.

To Increase Government Power

Major Reforms Are Outlined In Swiss Draft Constitution

BERN, Feb. 23 (AP)—The government published the draft today of a profoundly reformed constitution for Switzerland.

The new constitution will likely be voted on two years from now, but a major constitutional amendment is being offered to the voters in a referendum on unday.

The amendment, aimed at increasing government power over traditionally laissez-faire economy, would facilitate restrictions on nonresident funds and on residents acquiring credit abroad. It also would give the Swiss National Bank permanent control of minimum bank reserves and of capital-market policy.

The broader draft sets various international precedents in constitutional jurisdiction, ranging from a pledge to work for world peace to the obligation of the state to "fight against any profit-making desire that could be economically or socially harmful."

It would ban censorship and capital punishment which can be

China to Reward Taiwan Defectors

HONG KONG, Feb. 23 (AP)—The Chinese Communists are advertising bounties of up to \$4 million in gold to Nationalist Chinese pilots or captains who defect with their jet-fighters and ships. Chinese Communist newspapers in Hong Kong reported today.

Taiwan also offers rewards to military defectors from the mainland and who bring samples from the Communist arsenal. Last July, a pilot received \$600,000 in gold when he flew his MiG-19 to Taiwan. The Nationalists claim that all previous efforts by the Communists to encourage nationalists to defect have failed.

The new Communist offer was the first since the 1958-59 Cultural Revolution. The reports gave detailed information on navigational courses for planes and ship captains, the radio frequency the defectors should use and what they should do when they encounter Communist planes and ships.

INTERNATIONAL HERALD TRIBUNE, FRIDAY, FEBRUARY 24, 1978



Dominique Khalafouli and Michael Denard in one of their four pas de deux from "Romeo and Juliet."

intimate scenes and mass movement, and its stagecraft, than for the choreography as such. The ritual-like lamentations over the bodies of Tybalt and Mercutio, with a sudden cut to the lovers' farewell scene, was a brilliant stroke. The Tybalt-Mercutio duel was more stylized than choreographed fight, while the following Tybalt-Romeo duel was seen mostly through the reactions of the Carnival revelers, with the duelers off stage until the fatal thrust.

The four principal men were sharply distinguished from each other, both by choreography and by careful casting. Michael Denard

four full-scale pas de deux to dance, and while these were uniformly attractive, Grigorovich did not endow them with enough choreographic inventiveness or originality to keep a progressive feeling of sameness from setting in. One departure from Shakespeare was to have Romeo dying, but still alive, when Juliet awoke, ending the ballet with Juliet lifeless across Romeo's body.

The Bolshoi's Algis Juraitis was the conductor, and he drew the maximum in orchestral color and rhythmic life from Prokofiev's magnificent score, although in the second act the Opéra's orchestra often responded raucously.

Reluctant to Help

The second of the two acts finds the vagrants still in attendance, but the puny tree has sprouted green leaves. The fat slave driver returns, but he has lost his sight and tumbles about on the ground in a tangle with his weak-kneed porter. The rambling palaver is interrupted by the arrival of an obese brute who drives before him a raged slave, burdened with baggage. The coarse intruder lingers for a picnic lunch and entertains them with the antics of his porter, who quizzically executes dance steps and a recital in gibberish. The cruel master whips up his servant and is away. Night falls, the moon rises and a boy appears to report that Godot's visit has been delayed until the morrow.

Presenting a somber if vague

curtain up, we are in the weird, ghostly world of Beckett, a nightmare realm where creatures dimly recognizable as humans roam. It is an experienced skin to being lowered in a bathyscaphe to the bottom of the sea. The eerie atmosphere of un-reality weaves slowly its hypnotic web. Snatches of the dialogue hint at mysteries that remain veiled. Beckett has never felt the urge to explain "Godot." It just is and makes of it what you will.

Thornton Wilder remarked that this play was an ideal vehicle for the Pratellis, and Bilm has ordered his actors to comport themselves like musical zombies thus touching up the comic irony of what they have to say.

Jean-Paul Rousselot and Michel Autmont are the patient, perplexed pair; Francois Chauvet is the gross Pozzo, a sort of jovial Simon Legree; Georges Ruquier the jabbering, battered butler. This quintet has an enormous vitality and collectively transforms the enigmatic drama with its sinister undertones of bleak disenchantment into an absorbing spectacle. At the Odéon you will discover the best of all possible "Godots."

U.K. Child Museum Is Not Just 'Kid Stuff'

By Ruth Gruber

LONDON, Feb. 23 (UPI)—H.E. Shepard, who illustrated the Winnie the Pooh books, did quick pencil sketches to work out the final drawings. So did Beatrix Potter. She drew endless series of rabbits, sometimes on the back of lined notebook, to perfect her Peter Rabbit pictures.

Their sketches, as well as sketches, drawings and completed pictures by Arthur Rackham, Kay Greenaway, Kay Nielsen, Randolph Caldecott, and other famous illustrators of children's books, form part of the fascinating collection of all types of material grouped in the Bethnal Green Museum of Childhood.

There, every day, hordes of schoolchildren, clutching pencils and worksheets, wander purposefully from exhibit to exhibit under the watchful eyes of their teachers.

Antique Dolls

There are scores of huge, detailed antique dolls and dollhouses chronicling their development over the past several hundred years. In a long case down the central gallery march thousands of brightly painted lead soldiers, farmers, cowboys, Indians, Zulu warriors and other tiny figures produced since the late 19th century.

The Bethnal Green Museum, in London's east end, is actually a branch of the huge Victoria and

Albert Museum of Decorative Art on the other side of London and as such it contains a number of exhibits rather removed from the sphere of childhood.

This is a superb collection of Rodin sculpture, a ghostly gallery of antique wedding dresses, some stunning Japanese samurai armor and a marvelous gallery of art nouveau furniture.

"It's shown there more or less because there just isn't room for it all at the Victoria and Albert itself," said a museum staff member.

Glass and Iron

It was opened in 1872 as a museum of science and art, and the intricate prefabricated iron and glass structure is considered the most important surviving example of this mid-19th-century type of building.

Recently it has emphasized the children's aspect of the exhibits and stages special shows on subjects such as children's books, unusual dolls, and other "kid stuff."

There's also an "art room" where children can paint and draw—and then have their pictures placed on show alongside the greats of book illustration.

For the schoolchildren who visit, it is, of course, a variation of the learning-through-playing philosophy, which is well illustrated by one of the permanent exhibits.

This is a huge collection of

SHARPS AND FLATS

PARIS—American singer Rhoda Scott will open at the Olympia for one week Feb. 26, replacing the French singer Barbra.

The Bernard Lubet Band will be at the Stadium Feb. 26 followed by the Archie Shepp quartet on March 1 and 2. LaVelle is appearing nightly at the Bar Corail in the Sheraton Hotel and Joe Turner is at the Calavados. Arthur Simms is featured at Le Chevalier du Temple on Tuesdays, Thursdays and Saturdays.

Guitarist Jimmy Gourley, continuing his tour of France, is in Nimes Feb. 24 at the Grand Café; in Marseilles Feb. 25 at the Cabaret and Feb. 26 at the Passe Temps; in Clermont-Ferrand Feb. 27 and 28 at Le Clovis and March 1 at the Hôtel Frontal; in Super Besse March 2 at the Hotel VVF.

FRANK VAN BEEKLE

Terry Big Band will be at the Stokkesten Marin 1 while Manhattan Transfer is at the Johnnibunderhalle both at 8 p.m.

LaMuse Monks will appear at the Johnnibunderhalle March 2 at 8 p.m.

MUNICH—Singer-pianist Alice Darr opens at Hannos Piano Bar March 1 for the month.

LONDON—Dexter Gordon closes at Ronnie Scott's on Feb. 25. The George Colman quartet opens at Scott's Feb. 27 for two weeks.

AMSTERDAM—French singer Juliette Greco will be at the Theater Carré Feb. 27 at 8 p.m.

LEEDEN—The Netherlands-Golden Earring and Wild Romance will be at the Groenmarkt Feb. 24 at 8 p.m.

TURKU, Finland—The Delta

One of the nice things about sailing to New York on Queen Elizabeth 2 is that it's very, very roomy.

About 150 times roomier than a jumbo jet, in fact. This means that there's not only more room for you and your family. There's also more room for all the other things you want to take with you.

You can have four pieces of luggage in your cabin, and keep a further two pieces in the baggage room. And use up to 25 cubic feet in the hold. Free. Only after that will it cost you \$3 a cubic foot to store anything else in the hold.

Take a grandfather clock with you for about \$25.

You really do take them with you, too. So all your possessions arrive when you do, and not a week or so later.

QE2 is also the world's largest car ferry; you can take a Mercedes-Benz for about \$675.

If you buy a duty-free car in Europe the savings that you make on it will more than cover the cost of taking the car on the QE2.

There are no quarantine restrictions in New York, so it's even

possible to take your animals with you, and have them looked after in comfort by our kennel maids.

Indeed, if you don't believe in travelling light, you might very easily find that crossing the Atlantic on the world's most luxurious ship is actually cheaper than flying.



The QE2 will be crossing the Atlantic between Southampton and New York no less than 30 times between May and November.

Giving you a splendid opportunity to say farewell to Europe with five days of high living. High living that doesn't forget about families.

The QE2 has its own Children's room, as well as a disco for teenagers.

Booking and boarding arrangements are much the same as for flying and the one-way fare starts at just \$730. (\$395).

Simply contact Cunard or your local travel agent to reserve a ticket for yourself.

And your car.

And your clock.

And anything else you hold dear.

CUNARD QE2

THEATER IN PARIS**A 'Godot' Production Worth Waiting For**

By Thomas Quinn Curtiss

PARIS, Feb. 23 (IHT)—"Waiting for Godot" needs no introduction. Indeed, it might be asked whether it needs a revival as it has been running intermittently in Paris since its 1953 premiere. It has been seen here in English, French, German and other tongues and this very season in another production. It has been played widely abroad and has even been performed before a captive audience—the inmates of San Quentin prison—but it does not appear to have penetrated the Soviet-dominated lands as yet, where its symbolic pessimism would probably be taboo. It is the most famous work of Samuel Beckett and served as the principal factor in getting him the Nobel prize.

BUSINESS

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

FINANCE

PARIS, FRIDAY, FEBRUARY 24, 1978

Page 7

Dollar Slumps To Record Low Levels**Central Bank Actions Fail to Stop Sell-off**

LONDON, Feb. 23 (AP-DJ).—Disorderly conditions on the foreign exchange market intensified yesterday despite central bank intervention and the dollar plumbed new lows against the deutsche mark and Swiss franc.

The Bundesbank bought an estimated \$50 million at the Frankfurt fixing, but even that was not enough to absorb the "huge selling orders that came in," one dealer said.

The dollar was fixed at a record low of 2,0230 marks. Outside the fixing, the West German central bank may have purchased up to \$100 million according to some estimates. The Swiss National Bank probably also entered the market, though the amount could not be determined.

Later, the New York Federal Reserve Bank apparently intervened heavily to stem the U.S. currency's depreciation.

Nonetheless, the dollar lost considerable ground. Against the deutsche mark it hit an intraday low of 2,0155 marks, nearing what many see as the critical 2-mark psychological barrier. It partially recovered to 2,0203 marks, down from 2,0399 marks late yesterday.

Against the Swiss franc, the U.S. currency reached an intraday low of 1,7880 francs before finishing at 1,7935 francs, down from 1,8265 francs overnight.

According to one source, commercial sales of dollars for marks and Swiss francs by large West German car manufacturers apparently touched off a wave of franc dollar selling early today.

Many foreign exchange dealers expressed bitter resentment about the manner in which the monetary authorities, particularly the U.S. Fed, are handling the disorderly situation on the market.

"The central banks aren't doing

U.S. and W. Germany Agree to End Dispute

By John Vinocur

BONN, Feb. 22 (NYT).—The United States and West Germany have privately agreed to end their lingering public argument about whether the Germans are pulling their weight in stimulating the world economy, a source close to Chancellor Helmut Schmidt said yesterday.

The dispute about the ability and desire of the government here to serve as an economic pacemaker was causing irritation on both sides and has had a negative effect on relations between Bonn and Washington.

The informant, a high government official, reported that the understanding was reached last

Japan Rejects Playing Role Of Locomotive

TOKYO, Feb. 23 (Reuters).—Bank of Japan governor Takeo Morigaga said today that given the weak state of the Japanese economy, he is unsure about the nation's ability to act as a "locomotive" in helping the rest of the world toward economic recovery.

Mr. Morigaga told a press conference that in contrast to the "locomotive" theory, according to which expansion in the United States, Japan and West Germany should lead the rest of the world, he prefers to think of "a group of marine vessels" (he did not say how many) moving rather more slowly than trains.

In Japan, despite strenuous government efforts to boost the economy, there is still no clear sign of a change in the trend of business activity, or of a narrowing of the current-account surplus, Mr. Morigaga said.

To prevent present world economic problems from leading to protectionism, further international cooperation is needed in economic policies and foreign exchange policies," he said.

Difficult Target

Mr. Morigaga said it will not be easy for Japan to achieve its target of 7 per cent real growth in the fiscal year starting in April, and a reduction in the current-account surplus to \$6 billion from over \$10 billion estimated for the current fiscal year.

But all efforts to achieve the objectives must be made, he said, both to ensure a sustained domestic economic recovery, and to contribute as much as possible to the world economy.

Fiscal policy should continue to play a leading role in stimulating domestic demand, he said.

Mr. Morigaga said he thinks it appropriate to continue with the present easy money policy, but reiterated he has no intention for the time being of cutting the bank rate from the present level of 4.25 per cent.

The monetary policy conditions to support economic recovery have already been well established, he said.

Meanwhile, Economic Planning Agency director-general Kichi Miyazawa said he is concerned that Japan's current-account surplus will not start to decline soon enough, and it would be awkward for Japan if it did not begin to decline by the time of the Japan-U.S. summit expected in May or June.

The summit meeting between President Carter and Premier Takeo Fukuda could prepare a joint strategy for the two nations to cooperate in leading the world economy, he said.

U.S. Urged to Borrow Foreign Currency

LONDON, Feb. 23 (AP-DJ).—The U.S. Treasury is coming under increasing European pressure to do a large chunk of its medium-term borrowing in foreign currencies instead of in dollars.

The basic purpose, anxious foreign officials say, would be for the United States to build a hefty cache of deutsche marks, Swiss francs and other foreign funds to be used to make rate-trapping "intervention" purchases of dollars on foreign exchange markets.

"A strong body of opinion" backs these calls on the ground that, without much more U.S. support, market pessimism will drag the dollar "so low that everyone would be horrified," says a senior Continental central banker.

The United States did adopt a "more active" intervention policy last month. But, U.S. officials stress, their intention is only to counter "disorderly" market conditions, and they are not aiming for any particular set of exchange rates.

The fear of further sharp drops for the dollar reflects the spreading conviction among foreign monetary officials that it will be years before the United States can significantly reduce the deficit in its international trade account, now running at nearly \$30 billion a year.

So far, the foreign advice that the outflow should be countered by U.S. borrowing abroad has

week at a meeting here between the Chancellor and Treasury Secretary Michael Blumenthal.

In rough terms, he said, the agreement meant that the U.S. government would stop suggesting that the projected West German growth rate of 3.5 per cent for this year was insufficient to help the world economy and that, as such, it represented a shirk of West Germany's responsibilities as a global economic force.

Dollar Criticism

In turn, according to the informant, the Chancellor promised that West Germany would "stop talking about the weakness of the dollar as a cause of instability in international trade."

The informant's report followed widespread comment here about a report in the current issue of the news magazine *Der Spiegel* that the Chancellor had made bitterly angry remarks about President Carter and the White House staff.

The report said that Foreign Minister Hans-Dietrich Genscher and Defense Minister Hans Apel had called Mr. Schmidt to task for private comments indicating that he personally does not care for Mr. Carter. The magazine quoted the Chancellor as saying: "The word 'Jimmy' gets stuck in my mouth"—and suggesting that the President had little understanding of economics.

A government spokesman described the report as "completely inaccurate," but other sources confirmed that Mr. Genscher had said at least that the Chancellor was partly to blame for the deteriorating relations and that Mr. Schmidt should be responsible for correcting them.

Lecturing Resented

According to these accounts, Mr. Genscher told Mr. Schmidt that his problem lay in a tendency to lecture other governments on economic issues. U.S. diplomats here had been openly irritated by what they felt was Mr. Schmidt's assumption "that he is the only man in the world to know anything about economics."

Mr. Genscher also was said to have told Mr. Schmidt that the unit over economic growth was needlessly threatening U.S.-German relations.

The dispute began during the first months of the Carter administration, when the White House suggested that West Germany might play a greater role in accelerating the economies of its neighbors by increasing demand at home. The question was presented at the London economic summit conference last year where West Germany agreed, with clear reluctance, to attempt to achieve a 5-per-cent growth rate.

But all efforts to achieve the objectives must be made, he said, both to ensure a sustained domestic economic recovery, and to contribute as much as possible to the world economy.

Fiscal policy should continue to play a leading role in stimulating domestic demand, he said.

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FINANCIAL NEWS AND NOTES**Wilkinson Match Sees Profits Up**

Wilkinson Match expects pretax profit for the year ending March 31 to rise to £14 million against £12.5 million the previous year. The company expects to recommend a final dividend of 6.21 pence, making 10 pence for the year against 6.21 pence paid in the previous year, an increase of 20.3 per cent. The forecasts, contained in a circular recommending that shareholders approve the acquisition of True Temper Corp., could prove wrong if the acquisition were not approved, Wilkinson warns.

To buy True Temper, a Garden tools subsidiary of Allegheny Ludlum Industries, Inc., Wilkinson would issue 6.2 million ordinary shares plus cash payments totalling \$8 million. The offer values True Temper at about £14.7 million. Allegheny Ludlum, which currently holds 29 per cent of Wilkinson, will own 44.43 per cent of the enlarged equity, following approval of the offer.

Hale Drops Bid for Field

Carter Hawley Hale Stores is withdrawing its proposed offer to acquire Marshall Field for about \$380 million, or \$42 per share, because the hotly contested bid "no longer makes economic sense." Philip Hawley, president of Carter Hawley, says that "after a careful analysis of their five-city expansion plans, and the probable impact on our earnings, we concluded that a tender offer would no longer be in the best interests of our shareholders." Angelo Arena, president of Field and a bitter opponent of the takeover attempt, says that "without this distraction we can resume full attention to our business and expansion program. We are confident that this expansion program . . . represents an important direction for solid, profitable growth. We feel that their withdrawal confirms our initial judgment that their proposal was inappropriate and ill-conceived." After the initial bid, in moves that the firm claims were unrelated to the takeover attempt, Field suddenly announced a series of acquisitions and planned expansions of its own. It bought a five-store chain in the northwest, and said it had committed itself to moving into Houston, Dallas, Atlanta, New Orleans and Kansas City. It also said it was talking to B. Altman in New York about a merger, although that firm denied it.

Attitude Is Bullish for Speculators**Platinum Producer Wary of Output Boost**

LONDON, Feb. 23 (AP-DJ).—The world's largest platinum-producing company, South Africa's Rustenburg Platinum Mines Ltd., is taking a wait-and-see attitude about cancelling production cutbacks and further increasing its price for the metal, which it has boosted 27 per cent to \$205 an ounce in little more than two months, sources close to the company say.

The company's attitude is bullish for speculators in platinum futures, who have been bidding up prices as platinum has been considered over economic growth was needlessly threatening U.S.-German relations.

The dispute began during the first months of the Carter administration, when the White House suggested that West Germany might play a greater role in accelerating the economies of its neighbors by increasing demand at home. The question was presented at the London economic summit conference last year where West Germany agreed, with clear reluctance, to attempt to achieve a 5-per-cent growth rate.

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months between order and delivery, up from about four months a few weeks ago, comparing with delivery times of about a month for competing copiers made by Kodak and Xerox. Some industry sources blame the Series III for an apparent decline in the profitability of IBM's office products division, which markets the copier. Operating income in the office products division was about 18 per cent of revenue in the early 1970s, but it amounted to only 9.5 per cent of gross income in 1977.

French Car Exports Set Record in 1977**Platinum Producer Wary of Output Boost**

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Retail Sales Increase Boosts Wall St. Prices

NEW YORK, Feb. 23 (IHT).—The Dow Jones industrial average was up 1.90 at 750.95. At 3 a.m. it was off 07.

Some 730 issues gained and about 600 were lower. Volume totaled 18.72 million shares compared with 18.45 million yesterday.

Analysts said the market was helped by a late afternoon report of a 4.9 per cent rise in weekly retail sales.

But failure by coal industry negotiators to reach a settlement continued to be a drag on the market, the analysts said. Administration officials quoted President Carter as saying at today's meeting on the coal strike that this was the last chance of a settlement.

A surprise decline in the money supply was reported by the Federal Reserve Bank of New York minutes after the final bell.

The Fed said the basic measure dropped \$1.1 billion in the week ended Feb. 15 and the more broadly defined measure was down \$1.1 billion.

Company Reports

Revenue, Profits in Millions of Dollars

Allis-Chalmers

Fourth Quarter 1977 1976

Revenue 363.10 368.60

Profits 13.10 11.90

Per Share 1.08 0.90

Year Revenue 1,540.00 1,520.00

Profits 67.00 58.70

Per Share 5.53 4.51

Beneficial

Fourth Quarter 1977 1976

Profits 16.30 9.50

Per Share 0.67 0.30

Year Revenue 85.70 100.40

Profits 3.64 4.53

— (diluted) 3.56 4.05

Carnation

Fourth Quarter 1977 1976

Revenue 623.50 558.00

Profits 28.20 27.30

Per Share 0.75 0.73

Year Revenue 2,320.00 2,170.00

Profits

NYSE Nationwide Trading (3 O'clock) Feb. 23

European Banking Company Limited

Balance Sheet as at 31st December, 1977

ASSETS

Cash in hand, balances with bankers and money at call and short notice
Bank certificates of deposit and promissory notes
Other deposits with banks
Investments
Loans, advances and other accounts
Assets leased to clients

1977 £	1976 £
103,338,107	51,053,414
28,362,794	24,299,470
60,755,150	56,739,416
4,111,801	3,315,307
117,868,017	119,486,831
2,648,416	1,789,251
936,804	663,567
£318,021,089	£257,347,256

LIABILITIES

**Current and deposit accounts
Other liabilities
Dividend payable**

293,894,560 **235,528,649**
5,986,699 **6,464,805**

Deferred taxation

SHARE CAPITAL AND RESERVES

Share capital

Share premium

<u>301,033,014</u>	<u>243,844,440</u>
<u>1,427,424</u>	<u>775,769</u>
<u>12,175,000</u>	<u>10,175,000</u>
<u>500,000</u>	

Share premium Retained profit

Retained profit

500,000	—
<u>2,885,651</u>	<u>2,552,047</u>
<u>£318 021 089</u>	<u>£257 347 256</u>

2510,021,083 2211,541,250

**C. F. Karsten Chairman
*F. Hoogendijk
Amsterdam-Rotterdam Bank NV**

**S. M. Yassukovich Manager
A. Monti
*E. Braggiotti
Banca Commerciale Italiana SpA**

Directors

W. Guth
***M. von Brentano**
Deutsche Bank AG

M. G. Wilcox
***J. Hendley**
Midland Bank Limited

P-E Janssen

M. Vienot
*D. Hua
Société Générale (France)

P. Jeanty

H. Kippenberger
Banque Européenne de Crédit (BEC)

Copies of the Report and Accounts 1977, can be obtained from the Registered Office:

on EC3V 4PP, Telep

-638 3654. Telex 8811001

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Deutsche Bank AG	Midland Bank Limited	Société Générale de Banque SA
		Société Générale (France)

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— 4 —

COMPANY	INDUS.	1977 HIGH-LOW	CLOS. PRICE Feb.23	HIGH-LOW MON-WED.	P/E	YIELD (%)	EARN. PER SHR.— '74, '75, '76	SHRS. OUTS. (000)	LATEST COMPANY NEWS
AQUITAINE -----	Petrol.	380.28 - 237	322.10	319.90 - 312.50	6	5.0	89.14 - 83.80 - 55.63c	14,774	1st semester '77 net non-consolidated profit = 640 MF.
BOUYGUES -----	Construct.	417 - 273	396.50	398 - 387	13	5.4	58.73 - 25.92 - 20.34c	600	Expect '77 results to improve. Also dividend increase set.
BSN GERVais DANONE	Glass.food	532 - 318	352	355 - 350	17	7.2	28.36 - 24.39 - 20.12c	2,332	1977 group consolidated turnover = 12,925 MF (up 18%).
CHARGEURS REUNIS ---	Shipping Air trans.	177 - 126.40	133	133 - 130	10	8.8	16.94 - 16.41 - 13.34	1,866	Subsidiary UTA 1977 sales = 2,440 MF (+19% vs. 1976).
CHIMIQUE ROUTIERE ...	Public works	115 - 80.50	91	93.50 - 88.50	4	6.1	11.18 - 10.02 - 24.40c	1,672	New convert. bond issue of 200 MF. Expect to pay same divld. (Fr. 1,400).
CREDIT COMM. FRANC.	Bank	109.90 - 84	108.20	109.90 - 105	8	6.8	10.36 - 15.85 - 14.80c	5,799	New CCF branch opening in Beirut at Gefenor Center.
CREDIT INDUST.COMM.	Bank	105 - 72.50	86	88.80 - 81.70	10	7.6	6.77 - 10.84 - 8.74	4,528	As of January 4, '78 CIC group's customer deposits totalled Fr. 49.8 billion.
CREUSOT-LOIRE -----	Heavy Ind.	98 - 49	59.20	56.10 - 53.50	—	13.5	28.13 - 9.62 - 5.56c	3,684	1977 turnover (ex-taxes) = 5,335 MF (+12% vs. 1976).
EUROFRANCE -----	Holding	190 - 124	152.90	147 - 147.10	3	7.2	— - 35.50 - 54.30c	2,193	Sept. '76-Sept. '77 net profit = 44.65 MF vs. 27.25 MF (+64%).
FERODO S.A.F. -----	Equip. Autom.	412 - 296	253	363 - 336	5	5.3	23.92 - 29.27 - 73.81c	1,545	'77 turnover = 1,670 MF (ex-taxes), up 8.2%. Exports = 23% of turnover.
GEN. OCCIDENTALE ...	Holding	192.50 - 145	179.30	178.40 - 177	6	3.1	— - 26.94 - 30.81c	2,986	76-77 group consolidated turnover = 14,676 MF vs. 14,475 MF for '75-'76.
IMETAL -----	Mining	96.10 - 50	54.50	53.70 - 50.60	3	6.4	17.97 - 2.44 - 21.51c	7,944	1977 non-consol. results to approximate those of 1976.
MOET-HENNESSY -----	Beverag.	451.50 - 268	353	358.80 - 351	28	2.4	17.94 - 5.71 - 12.71c	3,158	Estimated '77 consol. turnover = 1,530 MF (+16% vs. 1976).
NORD (Compagnie de)...	Holding	22.10 - 15	15.65	16.15 - 16	9	9.6	0.18 - 0.29 - 1.72	13,284	1977 net results to at least attain that of 1976 (23 MF).
PECHINEY-UG-KUHLM.	Chem.min.	91 - 62.10	76	76.90 - 75	13	6.6	9.50 - 6.30 - 6.00c	25,497	'77 consol. turnover = 25,972 MF (up 17%). Foreign sales: 50% of total.
PSA PEUGEOT-CITROEN	Holding	233.50 - 201	223	225 - 209	2	3.7	38.24 - 54.71 - 137.96c	9,444	Expect '77 consol. turnover (ex-taxes) to attain some FF. 42 bil. (+20%).
RAFFINAGE (Cie. Fr.) ...	Petrol.	89.80 - 51.70	56.80	56 - 55	—	10.6	— - — - —	5,450	Due to major overseas effort CFR ranks 30th as exporter.
REDOUTE -----	Mail order	620 - 458	475	477 - 467	10	3.6	35.87 - 45.57 - 47.84c	926	Group consol. turnover (Jan. 1-Nov. 30, '77) = some 2,400 MF (+11%).
RHONE-POULENC -----	Chemicals	83.70 - 48.50	56	55.80 - 53.50	9	10.7	14.02 - 5.83 6.34	18,941	1st semester group turnover = 2,334 MF (up 14%).
ROBECO -----	Investm. Comp.	384 - 337.40	342.10	362.80 - 361.80	—	6.9	(not relevant)	25,300	Proposed final distribution '77 = 3 1/3% in stock (tax free) or Frs. 5.20 in cash.
SKIS ROSSIGNOL -----	Ski manuf.	1918 - 1225	1425	1628 - 1420	12	1.8	71.76 - 70.50 - 65.50c		

(b) Tax year 1976-77

NYSE Nationwide Trading (3 O'clock) Feb. 23

12 Month - Stock High, Low, Div in \$ Yld. P/E 100s. High Low Quot. Close											
12 Month - Stock High, Low, Div in \$ Yld. P/E 100s. High Low Quot. Close											
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